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FOR INL/PC MCKECHNIE AND INL/LP MARTIN

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TAGS: SNAR PREL KCRM CS

SUBJECT: COSTA RICA MINI-DUBLIN GROUP REPORT

REF: STATE 179116

¶1. Summary: Post convened a mini-Dublin Group meeting on November 17, 2006 with representatives of the embassies of Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, and the United Kingdom. The U.S. counternarcotics program remains the largest among Dublin Group members in Costa Rica. End Summary.

#### Drug Situation and Policy Initiatives

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¶2. Costa Rica continues to serve as a transit point for illegal narcotics destined for the United States and Europe from production sites in South America. Costa Rica's geographic position astride important sea routes, its large maritime area (10 times larger than its land mass), and its short distance from Colombia combine to make the country a convenient logistics platform for trafficking organizations moving narcotics, primarily to the United States.

¶3. Narcotics continue to be shipped through Costa Rican territory by land, sea, and air. The Pan-American Highway serves as a major thoroughfare for large land shipments of illicit drugs and other contraband while a lack of detection and enforcement resources at Costa Rica's international airports provide opportunities for smuggling drugs--notably heroin, but increasingly cocaine through the use of "mules"--to the United States and Europe. Use of package couriers such as DHL for smuggling small narcotics shipments was a concern to European members of the group. London, Madrid, and Amsterdam were identified as primary destinations for Costa Rican "mules" due to lack of visa requirements and direct air connections. All participants agreed that the use of Costa Rican flagged fishing vessels to smuggle narcotics and to refuel "go-fast" boats is a growing problem. According to the Canadian representative, cocaine smuggling is common enough within the region's fishing fleets that it is referred to as "white lobster."

¶4. Costa Rican authorities had seized a record 7,950 kilograms of cocaine as of November 2006. Costa Rican officials have increased their seizures of cocaine every year since 2001. (Note: 2006 statistics on cocaine seizures do not include neaQ 17 metric tons seized at sea by U.S. assets under the terms of the bilateral maritime counternarcotics agreement.) The drug control police (PCD in Spanish) launched a major offensive against small-time drug dealers and have increased seizures of crack cocaine to date by a factor of six (111,698 "rocks" compared to just over 18,000 for all of 2005). Destruction of marijuana plants dropped substantially, however, in 2006 to 353,500 plants from over one million in 2005. In every other category the PCD dramatically increased seizures: 2,464 kilograms of marijuana (881 in 2005), 60.6 kilograms of heroin (49.38 in 2005), and 5,963 tablets of MDMA/Ecstasy in 2006 compared to only 41 tablets in 2005. Costa Rican authorities seized over

\$4 million in suspect currency as opposed to \$850,000 in 2005.

**15.** Costa Rican officials continue to demonstrate professionalism and reliability as partners with the international community in combating narcotics trafficking. Costa Rica aggressively investigated allegations of internal corruption and successfully prosecuted officials in 2006. U.S. law enforcement agencies consider the public security forces and judicial officials to be full partners in counternarcotics investigations and operations.

**16.** Costa Rica is compliant with all UN drug conventions and continues to implement its comprehensive national drug plan, drafted in 2003. Costa Rica has strict controls on precursor chemicals, although money laundering legislation has significant loopholes. There were no legislative initiatives to address these loopholes in 2006, nor were there significant changes to Costa Rica's counternarcotics policies or institutions beyond a change in leadership of the Costa Rican drug institute (ICD in Spanish). Other policy initiatives include ongoing but still unsuccessful efforts to bring the multilateral "Agreement Concerning Cooperation in Suppressing Illicit Maritime and Aeronautical Trafficking in Narcotics Drugs and Psychotropic Substances in the Caribbean Area" into force. Costa Rica and the Netherlands are joint sponsors of the agreement but neither country has yet ratified. Dublin Group members who have ratified the agreement include the United States and United Kingdom. The U.K. representative mentioned a EU-Latin American intelligence sharing initiative that has produced two meetings to date and the French representative said that a similar effort is currently underway in Colombia involving law enforcement liaison officers throughout the region.

#### External Assistance

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**17.** The United States continues to be the largest donor of counternarcotics assistance among Dublin Group members in Costa Rica. Total U.S. counternarcotics assistance to the government of Costa Rica in 2006 was around \$400,000 including training, equipment, conferences, and seminars. Besides the U.S. mission, only the French and Spanish embassies maintain a full-time law enforcement presence in Costa Rica.

#### Levels/Examples of Cooperation

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**18.** The French embassy finances the participation of 12 -15 Costa Rican officials per year in regional training courses as well as providing advice and assistance related to narcotics trafficking, organized crime, dignitary protection, and crisis management. Currently, the French police attache in San Jose also covers Panama. Beginning next year, this attache will cover all of Central America, including Panama (further diffusing French law enforcement attention throughout the region). The German, Canadian, Italian and British embassies have police attaches who cover Costa Rica from other countries in the region. The Netherlands provided \$10,000 in computer training to police officials in 2006. Canada provided a regional seminar for narcotics police through the OAS/CICAD and plans a similar event in Panama next year. Belgium conducted occasional counternarcotics patrols (at times jointly with the Dutch) in the Caribbean and the French Navy intercepted two Panamanian vessels carrying multi-ton loads of cocaine during 2006.

#### Recommendations

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**19.** All the participants agreed again this year to recommend that the Costa Rican government take urgent action to remedy serious vulnerabilities in the area of money laundering. We agreed to look for opportunities to jointly and separately urge the government to close loopholes in anti-money laundering legislation. Participants also agreed that we should continue to focus our shrinking resources on helping Costa Rica to help itself by improving inter-institutional cooperation within the GOCR.

Follow Up

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¶10. The government of Costa Rica took no action in 2006 to follow up on similar money laundering recommendations made by the members of the Dublin Group the year before.

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